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## A BILL FOR AN ORDINANCE

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RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to provide real property tax relief for eligible property owners following the installation of an automatic sprinkler system on the owner's property.

SECTION 2. Chapter 8, Revised Ordinances of Honolulu 1990, is amended by adding a new article to be appropriately designated by the Revisor of Ordinances and to read as follows:

**"Article\_\_\_. Tax Credit for the Installation of an Automatic Sprinkler System**

**Sec. 8-\_\_\_.1 Definitions.**

For the purposes of this article:

"Automatic sprinkler system" means an integrated system of underground and overhead piping designed in accordance with fire protection engineering standards. The system includes a suitable water supply. The portion of the system above the ground is a network of specially sized or hydraulically designed piping installed in a structure or area, generally overhead, and to which automatic sprinklers are connected in a systematic pattern. The system is usually activated by heat from a fire and discharges water over the fire area.

"Existing high-rise residential building" means any building that has floors used for human occupancy located more than 75 feet above the highest grade, contains dwelling units, and which was erected prior to 1993.

**Sec. 8-\_\_\_.2 Automatic sprinkler system tax credit established.**

- (a) An owner of residential real property in an existing high-rise residential building is entitled to a tax credit under this article against the owner's real property tax liability if: 1) an automatic sprinkler system is either installed throughout the existing residential high-rise building or throughout the common areas of the existing residential high-rise building; and 2) the owner has been granted an exemption under Section 8-10.4.



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- (b) The amount of the tax credit is \$2,000. If an existing high-rise residential building with an automatic sprinkler in the common areas is subsequently improved with an automatic sprinkler system throughout the entire building, no additional tax credit may be claimed. In no event shall the amount of the resulting tax be less than the minimum tax as required in Section 8-11.1(g).
- (c) The credit will be applied against real property tax liability for the tax year immediately following approval of the application for the credit. If the credit under this section exceeds the real property tax liability for the tax year immediately following approval of the application for the credit, the excess of the credit over real property tax liability may be claimed as a credit against the real property tax liability in subsequent years until exhausted.
- (d) The tax credit under this section, once granted by the director, is not transferable or assignable.

### **Sec. 8-\_\_3 Administration—Rules.**

- (a) The director shall determine the eligibility of the owner for the tax credit upon review and verification that the existing high-rise residential building has been installed with an automatic sprinkler system in accordance with applicable building and fire codes.
- (b) The owner shall file an application for the tax credit with the director no later than 24 months after the installation of the automatic sprinkler system is completed. The application must be filed on or before September 30th preceding the tax year in which the credit is claimed.
- (c) In accordance with HRS Chapter 91, the director shall adopt rules having the force and effect of law for the administration, implementation and enforcement of this article."



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE 18-9

BILL 101 (2017), CD1

## A BILL FOR AN ORDINANCE

SECTION 3. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2019 and thereafter.

INTRODUCED BY:

Ron Menor

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DATE OF INTRODUCTION:

November 8, 2017  
Honolulu, Hawaii

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\_\_\_\_\_  
\_\_\_\_\_ Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Karen K. - Se  
Deputy Corporation Counsel

APPROVED this 15 day of March, 2018.

Kirk Caldwell  
KIRK CALDWELL, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE

18-9

BILL 101 (2017), CD1

Introduced: 11/08/17

By: RON MENOR

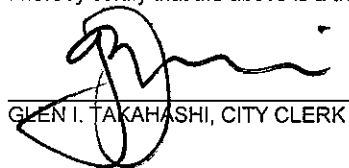
Committee: BUDGET

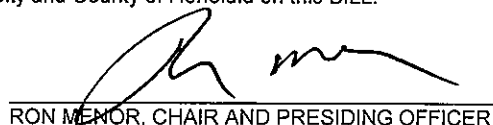
Title: A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAXATION.

Voting Legend: \* = Aye w/Reservations

12/06/17	COUNCIL	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE.
01/24/18	BUDGET	CR-30(18) – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.
01/20/18	PUBLISH	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
01/31/18	COUNCIL/PUBLIC HEARING	CR-30(18) ADOPTED. BILL PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET. 8 AYES: ANDERSON, ELEFANTE*, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA. 1 ABSENT: PINE.
02/10/18	PUBLISH	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
02/14/18	BUDGET	CR-71(18) – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.
02/28/18	COUNCIL	CR-71(18) ADOPTED AND BILL 101 (2017), CD1 PASSED THIRD READING AS AMENDED. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

  
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GLEN I. TAKAHASHI, CITY CLERK

  
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RON MENOR, CHAIR AND PRESIDING OFFICER